

STATE OF SOUTH CAROLINA

(Caption of Case)

Application for Certification of Talk America
Services, LLC and Approval of Transfer of
Residential CLEC/LD Customers to Talk America
Services, LLC

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: _____ - _____ - _____

(Please type or print)

Submitted by: Burnet R. Maybank, III

SC Bar Number: 3699

Address: 1230 Main Street, Suite 700

Telephone: 803-540-2048

Suite 700

Fax: 803-757-1472

Columbia, SC 29202

Other: 803-771-8900

Email: bmaybank@nexsenpruet.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition☒ Request for item to be placed on Commission's Agenda expeditiously☐ Other: _____

INDUSTRY (Check one)

- ☐ Electric
☐ Electric/Gas
☐ Electric/Telecommunications
☐ Electric/Water
☐ Electric/Water/Telecom.
☐ Electric/Water/Sewer
☐ Gas
☐ Railroad
☐ Sewer
☒ Telecommunications
☐ Transportation
☐ Water
☐ Water/Sewer
☐ Administrative Matter
☐ Other: _____

NATURE OF ACTION (Check all that apply)

- | | | |
|---|--|---|
| <input type="checkbox"/> Affidavit | <input checked="" type="checkbox"/> Letter | <input type="checkbox"/> Request |
| <input type="checkbox"/> Agreement | <input type="checkbox"/> Memorandum | <input checked="" type="checkbox"/> Request for Certification |
| <input type="checkbox"/> Answer | <input type="checkbox"/> Motion | <input type="checkbox"/> Request for Investigation |
| <input type="checkbox"/> Appellate Review | <input type="checkbox"/> Objection | <input type="checkbox"/> Resale Agreement |
| <input checked="" type="checkbox"/> Application | <input type="checkbox"/> Petition | <input type="checkbox"/> Resale Amendment |
| <input type="checkbox"/> Brief | <input type="checkbox"/> Petition for Reconsideration | <input type="checkbox"/> Reservation Letter |
| <input type="checkbox"/> Certificate | <input type="checkbox"/> Petition for Rulemaking | <input type="checkbox"/> Response |
| <input type="checkbox"/> Comments | <input type="checkbox"/> Petition for Rule to Show Cause | <input type="checkbox"/> Response to Discovery |
| <input type="checkbox"/> Complaint | <input type="checkbox"/> Petition to Intervene | <input type="checkbox"/> Return to Petition |
| <input type="checkbox"/> Consent Order | <input type="checkbox"/> Petition to Intervene Out of Time | <input type="checkbox"/> Stipulation |
| <input type="checkbox"/> Discovery | <input type="checkbox"/> Prefiled Testimony | <input type="checkbox"/> Subpoena |
| <input type="checkbox"/> Exhibit | <input type="checkbox"/> Promotion | <input type="checkbox"/> Tariff |
| <input checked="" type="checkbox"/> Expedited Consideration | <input type="checkbox"/> Proposed Order | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Interconnection Agreement | <input type="checkbox"/> Protest | |
| <input type="checkbox"/> Interconnection Amendment | <input type="checkbox"/> Publisher's Affidavit | |
| <input type="checkbox"/> Late-Filed Exhibit | <input type="checkbox"/> Report | |

Print Form

Reset Form

Burnet R. Maybank, III
Member
Admitted in SC

August 28, 2014

VIA ELECTRONIC FILING

Jocelyn Boyd, Esquire
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Drive
Columbia, SC 29210

Re: Application for Certification of Talk America Services, LLC and Approval
of Transfer of Residential CLEC/LD Customers to Talk America Services,
LLC

Dear Ms. Boyd:

Charleston
Charlotte
Columbia
Greensboro
Greenville
Hilton Head
Myrtle Beach
Raleigh

Windstream Holdings, Inc. ("Windstream"), Intellifiber Networks, Inc. ("CLEC/LD"), McLeodUSA Telecommunications Services, LLC ("CLEC/LD"), Network Telephone Corp. ("CLEC/LD"), PAETEC Communications, Inc. ("LD"), Talk America, Inc. ("CLEC/LD"), The Other Phone Company ("CLEC/LD"), US LEC of South Carolina, LLC ("CLEC/LD"), Windstream Communications, Inc. ("CLEC/LD"), Windstream KDL, Inc. ("CLEC/LD"), Windstream NTI, Inc. ("CLEC/LD"), Windstream NuVox, Inc. ("CLEC/LD"), (the CLEC/LD Companies collectively, the "WIN Companies"); Communications Sales and Leasing, Inc. ("CSL"); and Talk America Services, LLC ("TAI") (Windstream, the WIN Companies, CSL, and TAI collectively, the "Applicants") respectfully submit this Application requesting the South Carolina Public Service Commission (the "Commission") issue a certification to TAI, a subsidiary of CSL, to operate as a competitive local exchange and long distance carrier in those areas of the state of South Carolina where the WIN Companies are currently authorized and approval of the transfer of residential local and long distance customers of the WIN Companies to TAI.

The WIN Companies operate in a highly competitive environment in South Carolina in which wireless, cable and over-the-top VoIP providers continue to expand their telecommunications offerings. To address these shifts, Windstream has transformed over time from primarily a rural voice provider to an advanced communications and

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Nexsen Pruet, LLC
Attorneys and Counselors at Law

Jocelyn Boyd, Esquire
August 28, 2014
Page 2

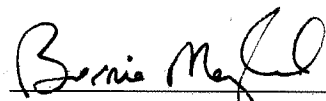
technology services company and continues to make strategic investments to provide enhanced services to its residential and business customers.

The proposed transfer is expected to be seamless to residential CLEC customers and the only change will be the name of the carrier that provides them service. Under the proposed transfer, TAI, a subsidiary of CSL, will operate as a competitive local exchange and long distance carrier in those areas of the state of South Carolina where the WIN Companies are currently authorized. Upon regulatory commission authorization of TAI, and following notice to the customers, the residential local and long distance customers of the WIN Companies will be transferred to TAI. The WIN Companies will retain all of their business customers.

S.C. Code § 58-9-310 provides that “[n]o telephone utility, without the approval of the Commission after due hearing and compliance with all other existing requirements of the laws of the State in relation thereto, may sell, transfer, lease, consolidate, or merge its property, powers, franchises, or privileges or any of them.” Applicants believe the law was intended to address the acquisition or transfer of an entire “system” including the authority to operate the system and provide service. Applicants, therefore, only request the Commission’s approval with respect to the transfer of certain customers to TAI if the Commission determines approval is necessary.

This transaction is *pro forma* in that it involves a transfer from a corporation to wholly owned direct subsidiaries and a consolidation of wholly owned subsidiary companies and the transaction will neither result in a change of control nor have any impact on the service provided to customers.

Very truly yours,



Burnet R. Maybank, III

BRM/maj
Enclosure

cc: Dukes Scott (via email – cdscott@regstaff.sc.gov)
Nannette Edwards (via email – nsedwar@regstaff.sc.gov)

BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION

**Application for Certification of
Talk America Services, LLC and
Approval of Transfer of Residential CLEC/LD
Customers to Talk America Services, LLC**

**APPLICATION FOR CERTIFICATION OF TALK AMERICA SERVICES, LLC AND
APPROVAL OF TRANSFER OF RESIDENTIAL CLEC /LD CUSTOMERS TO TALK
AMERICA SERVICES, LLC**

Windstream Holdings, Inc. ("Windstream"), Intellifiber Networks, Inc. ("CLEC/LD"), McLeodUSA Telecommunications Services, LLC ("CLEC/LD"), Network Telephone Corp. ("CLEC/LD"), PAETEC Communications, Inc. ("LD"), Talk America, Inc. ("CLEC/LD"), The Other Phone Company ("CLEC/LD"), US LEC of South Carolina, LLC ("CLEC/LD"), Windstream Communications, Inc. ("CLEC/LD"), Windstream KDL, Inc. ("CLEC/LD"), Windstream NTI, Inc. ("CLEC/LD"), Windstream NuVox, Inc. ("CLEC/LD"); (the CLEC/LD Companies collectively, the "WIN Companies"); Communications Sales and Leasing, Inc. ("CSL"); and Talk America Services, LLC ("TAI") (Windstream, the WIN Companies, CSL, and TAI collectively, the "Applicants") respectfully submit this Application requesting the South Carolina Public Service Commission (the "Commission") issue an order ruling as follows:

(1) Applicants request the certification of TAI, a subsidiary of CSL, to operate as a competitive local exchange and long distance carrier in those areas of the state of South Carolina where the WIN Companies are currently authorized and approval of the transfer of residential local and long distance customers of the WIN Companies to TAI; and

(2) To waive any applicable requirements of S.C. Code Ann. § 58-3-230 with respect to the transfer of customers from the WIN Companies to TAI.

I. WINDSTREAM CORPORATION AND AFFILIATES

Windstream Corporation, a Delaware corporation headquartered at 4001 Rodney Parham Road, Little Rock, Arkansas 72212, (501) 748-7000, is a publicly traded (Nasdaq: WIN) S&P 500 diversified communications and entertainment company. Windstream's subsidiaries provide local and long distance telephone services, data hosting services, broadband and high-speed data services and video services to customers throughout the United States.

In South Carolina, Windstream's regulated subsidiaries hold the following authorizations:

1. Intellifiber Networks, Inc. is authorized to provide local exchange and interexchange telecommunications services pursuant to Order No. 2001-1120 issued in Docket No. 2001-375-C on December 18, 2001.
2. McLeodUSA Telecommunications Services, LLC is authorized to provide local exchange telecommunications services pursuant to Order No. 2001-648 issued in Docket No. 2001-113-C on July 18, 2001 and interexchange telecommunications services pursuant to Order No. 97-944 issued in Docket No. 97-207-C on November 4, 2004.
3. Network Telephone Corp. is authorized to provide local exchange and interexchange telecommunications services pursuant to Order Nos. 1999-225 and 1999-677 issued in Docket No. 98-590-C on March 29, 1999 and September 27, 1999, respectively.
4. PAETEC Communications, Inc. is authorized to provide interexchange telecommunications services pursuant to Order No. 1999-60 issued in Docket No. 98-404-C on January 26, 1999.

5. Talk America, Inc. is authorized to provide local exchange telecommunications services pursuant to Order No. 97-670 issued in Docket No. 97-162-C on August 5, 1997 and interexchange telecommunications services pursuant to Order No. 92-479 issued in Docket No. 92-126-C on June 19, 1992.
6. The Other Phone Company is authorized to provide local exchange and interexchange telecommunications services pursuant to Order No. 1999-19 issued in Docket No. 98-443-C on January 7, 1999.
7. US LEC of South Carolina, LLC is authorized to provide local exchange and interexchange telecommunications services pursuant to Order No. 97-957 issued in Docket No. 97-300-C on November 10, 1997.
8. Windstream Communications, Inc. is authorized to provide local exchange and interexchange telecommunications services pursuant to Order No. 2006-186 issued in Docket No. 2005-399-C on March 28, 2006.
9. Kentucky Data Link, Inc. is authorized to provide local exchange and interexchange telecommunications services pursuant to Order No. 2008-345 issued in Docket No. 2008-16-C on May 7, 2008.
10. Norlight Telecommunications, Inc. is authorized to provide local exchange and interexchange telecommunications services pursuant to Order No. 2008-642 issued in Docket No. 2008-208-C on September 22, 2008.
11. Windstream NuVox, Inc. is authorized to provide local exchange and interexchange telecommunications services pursuant to Order No. 98-395 issued in Docket No. 98-129-C on May 29, 1998.

II. DESIGNATED CONTACTS

Any questions, notices, Orders or communications should be directed to:

Burnet R. Maybank, III, Esquire
Nexsen Pruet, LLC
1230 Main Street, Suite 700 (29201)
P.O. Drawer 2426
Columbia, SC 29202
Phone: 803-540-2048
Fax: 803-727-1472
Email: bmaybank@nexsenpruet.com

Cesar Caballero, Esquire
Senior Regulatory Counsel
Windstream Corporation
4001 N. Rodney Parham Road
Little Rock, AR 72212
Phone: 501-748-7142
Email: cesar.caballero@windstream.com

III. INTRODUCTION

1. The telecommunications industry continues to change dramatically due to rapidly increasing customer and business data needs and the entry of competition and technological advancements. The WIN Companies operate in a highly competitive environment in which wireless, cable and over-the-top VoIP providers continue to expand their telecommunications offerings. To address these shifts, Windstream has transformed over time from primarily a rural voice provider to an advanced communications and technology services company and continues to make strategic investments to provide enhanced services to its residential and business customers. The WIN Companies remain committed to providing high quality services to their customers.

2. Under the proposed plan, TAI, a subsidiary of CSL, will operate as a competitive local exchange and long distance carrier in those areas of the state of South Carolina where the WIN Companies are currently authorized. Upon regulatory commission authorization of TAI,

and following notice to the customers, the residential local and long distance customers of the WIN Companies will be transferred to TAI. The WIN Companies will retain all of their business customers.

3. This transfer is required by the public convenience and necessity, complies with applicable law and should be approved to the extent approval is required. Customers will continue to be served by companies that have the requisite managerial, technical and financial capability to provide the services. Moreover, the new structure will benefit local exchange residential and business customers through increased strategic flexibility provided to the Applicants. The structure will enhance their efforts to provide high-quality services to their residential and business customers. As a result of the transfer, the Applicants will be better positioned to meet the growing needs of local exchange and long distance customers throughout their service areas and remain competitive.

IV. PARTIES INVOLVED IN THE RESTRUCTURING

4. Windstream, a Delaware Corporation headquartered in Little Rock, Arkansas, is the parent company to the WIN Companies. Windstream is not authorized to provide telecommunications services in the state and is not seeking any authorizations to become a regulated telecommunications carrier or public utility.

5. The WIN Companies are also wholly owned indirect subsidiaries of Windstream. The WIN Companies are certificated in certain areas of the state of South Carolina as competitive local exchange and/or long distance telecommunication service providers.

6. CSL is a newly formed Delaware corporation and parent of TAI. It is not seeking authority to become a regulated telecommunications carrier or public utility. Attached hereto as Exhibit 1 is a certified copy of its articles of incorporation and all amendments thereto.

7. TAI, a Delaware limited liability company, is a newly created subsidiary of CSL and upon regulatory commission approval, and following notice to customers, will become the telecommunications service provider for the WIN Companies' residential customers. It is seeking authority in this Application to become a provider of local and long distance service and approval of the transfer of the WIN Companies' residential customers to it. Attached hereto as Exhibit 2 is a certified copy of its articles of incorporation and all amendments thereto.

V. PROPOSED TRANSFER

8. The WIN Companies' operations and provision of service will not change as a result of the transfer. TAI, as successor to the residential competitive local exchange and long distance business of the WIN Companies, will continue providing the same high-quality service that the WIN Companies do today. In fact, TAI will initially subcontract with the WIN Companies to continue providing the services and TAI will simply act as a reseller of those services.

9. Along with the transfer of approximately 30 residential customers of the WIN Companies to TAI, TAI will assume the WIN Companies' residential customer contracts and relationships. TAI will become the new provider of record for the residential customers of the WIN Companies; however, TAI will initially resell the services of the WIN Companies. No business customers served by the WIN Companies or will be transferred to TAI. Aside from a change in the customers' telecommunications provider, this transfer will have no impact on the transferred customers. The rates, terms and conditions of service provided to the transferred residential customers will not change as a result of the transfer to TAI. Where services are provided pursuant to filed tariff, TAI will adopt the tariffs of the WIN Companies or file tariffs that incorporate identical rates, terms and conditions of service. Where services are provided

on a detariffed basis, TAI will continue to provide service to the customers pursuant to the relevant service contracts or price lists and maintain them on a website.

10. Initially, TAI will operate as a reseller of the WIN Companies local exchange and interexchange services. In the future it will have the option to resell the services of other authorized carriers or to procure and operate its own facilities. In connection with this Application, TAI is seeking certification to be a competitive local and long distance telecommunications service provider in those areas where the WIN Companies currently provide service. The customer transfer to TAI will not be consummated unless and until TAI has received all required regulatory authorizations to provide interstate and intrastate telecommunications services and has complied with Federal Communications Commission ("FCC") and state requirements for notice to the customers. Attached hereto as Exhibit 3 is a proposed notice that would be provided to the affected customers at least thirty days prior to the transfer to TAI.

VI. CONTINUED TECHNICAL, MANAGERIAL, AND FINANCIAL CAPABILITY

11. The WIN Companies will continue to be managed and operated by capable, experienced executives and employees just as they are today. The WIN Companies will therefore maintain the same technical and managerial ability to providing reliable, high-quality services as they do today. The WIN Companies currently possess the financial ability to provide the certificated services to the public and such ability will be enhanced by the proposed transfer. All of these factors, along with the additional details below, demonstrate that the WIN Companies will continue to possess the technical, managerial, and financial capability necessary to provide high quality service and, thereby, to promote the public convenience and necessity. TAI will initially resell WIN Companies' residential service and will rely on the managerial and technical capabilities of the WIN Companies. Therefore, TAI also will have the managerial and technical

capability necessary to provide high quality services. Additionally, CSL, the TAI parent company, will be a publicly traded entity with the necessary financial resources to ensure TAI's customers continue to receive high-quality services.

A. Continued Technical Capability

12. The WIN Companies and TAI, through its resale of the WIN Companies' residential services, will maintain the same technical capabilities after the transfer as they possess today. Additionally, all equipment, buildings, systems, software licenses and other assets owned and used in the provision of TAI's service will continue to be available, operated, maintained and managed by the WIN Companies in the provision of service after the the transfer.

B. Continued Managerial Capability

13. The WIN Companies and TAI, through its relationship with the WIN Companies, will continue to employ personnel experienced and dedicated to the provision of high-quality communications service. The customer service, network and operations functions critical to the success of the Applicants today will persist, and the business will be staffed to ensure that continuity. For example, the local operations will continue to be staffed and managed by employees who have established ties to the community and extensive knowledge of the local telephone business.

14. The WIN Companies and TAI will continue to receive the same centralized management services. They will be staffed by experienced and knowledgeable persons currently providing these services. Presently, centralized functions include human resources, finance, tax, media, legal, planning, general support, and information services, thereby allowing the individual WIN Companies and TAI to benefit from the efficiencies enjoyed with centralized support services. After the transaction the WIN Companies and TAI will continue to receive

similar centralized management services and thus will continue to enjoy the attendant efficiencies and the benefits of an experienced staff.

C. Continued Financial Capability

15. The WIN Companies serve approximately 30 residential customers to be transferred to TAI. Windstream will clearly continue to have the financial stability to succeed in the ever-increasing competitive telecommunications marketplace. As TAI will initially provide residential services on a resale basis, its financial capability is also demonstrated by the sound financial condition of Windstream.

16. Windstream, which among other things raises capital for the WIN Companies, will continue to possess the financial capability to enable the WIN Companies to continue to provide high-quality telecommunications services to customers. Moreover, Windstream, through its subsidiaries, will continue to be one of the largest independent local exchange carriers in the nation.

17. All of the above facts demonstrate that WIN Companies and TAI will possess the requisite financial capability to fully support their operations.

VII. TRANSPARENCY TO CUSTOMERS

18. The transferred residential WIN Companies' customers will, other than a change in name of carrier, see no initial changes as their service will continue to be provided and supported by the WIN Companies, albeit resold by TAI. Customers will receive the same full range of products and services as prior to the separation, at the same prices, and under the same terms and conditions.

19. Customers will receive at least the same high-quality local exchange and long distance service as they do today, subject to the same rules, regulations, and applicable tariffs. The transfer will not affect existing price regulation plans, service quality obligations, or tariffs.


Further, any subsequent end user rate changes will continue to be governed by the same rules and procedures. Similarly, the terms and prices for existing wholesale services under applicable access tariffs or agreements will remain unchanged as a result of this transaction. Finally, the change in operations will not impact the terms of any existing interconnection agreements or obligations under state and federal laws regarding interconnection.

20. Consequently, for the reasons stated above, the transaction is required by public convenience and necessity.

WHEREFORE, as TAI will have the requisite technical, managerial, and financial capability to provide quality communications services, Applicants request that the Commission approve the request of TAI to operate as a competitive local exchange and long distance carrier and approve the transfer of the WIN Companies customers to TAI. Applicants also request that the Commission grant any other necessary and proper relief.

Furthermore, Windstream respectfully requests that this authorization be granted on an expedited basis to allow it to consummate the transfer as soon as possible and consistent with the public interest.

Respectfully submitted this 28 day of August 2014.



Jeffrey W. Small
Senior VP – Corporate Development and Operations
Talk America Services, LLC

EXHIBIT 1

Delaware

PAGE 1

The First State

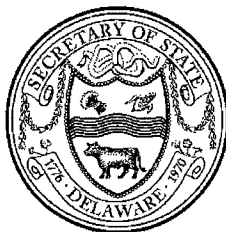
I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "COMMUNICATIONS SALES & LEASING II, INC.", FILED IN THIS OFFICE ON THE TWENTY-SIXTH DAY OF FEBRUARY, A.D. 2014, AT 3:20 O'CLOCK P.M.

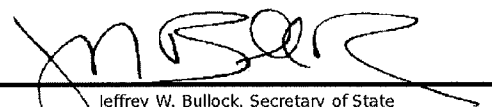
A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

5488905 8100

140246411

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 1165400

DATE: 02-26-14

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:20 PM 02/26/2014
FILED 03:20 PM 02/26/2014
SRV 140246411 - 5488905 FILE

CERTIFICATE OF INCORPORATION

OF

COMMUNICATIONS SALES & LEASING II, INC.

FIRST: The name of the Corporation is Communications Sales & Leasing II, Inc. (hereinafter the "Corporation").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, County of New Castle, 19801. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the "GCL").

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is one hundred (100) shares of Common Stock, each having a par value of one cent (\$.01).

FIFTH: The name and mailing address of the Sole Incorporator is as follows:

<u>Name</u>	<u>Address</u>
Deborah M. Reusch	P.O. Box 636 Wilmington, DE 19899

SIXTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

(1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(2) The directors shall have concurrent power with the stockholders to make, alter, amend, change, add to or repeal the By-Laws of the Corporation.

(3) The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the By-Laws of the Corporation. Election of directors need not be by written ballot unless the By-Laws so provide.

(4) No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the GCL or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article SIXTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

(5) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Certificate of Incorporation, and any By-Laws adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted.

SEVENTH: Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

EIGHTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the

manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

I, THE UNDERSIGNED, being the Sole Incorporator hereinbefore named, for the purpose of forming a corporation pursuant to the GCL, do make this Certificate, hereby declaring and certifying that this is my act and deed and the facts herein stated are true, and accordingly have hereunto set my hand this 26th day of February, 2014.



Deborah M. Reusch
Sole Incorporator

Delaware

PAGE 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "COMMUNICATIONS SALES & LEASING II, INC.", CHANGING ITS NAME FROM "COMMUNICATIONS SALES & LEASING II, INC." TO "COMMUNICATIONS SALES & LEASING, INC.", FILED IN THIS OFFICE ON THE THIRD DAY OF JULY, A.D. 2014, AT 3:42 O'CLOCK P.M.


A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

5488905 8100

140919358



You may verify this certificate online
at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 1515940

DATE: 07-08-14

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF

COMMUNICATIONS SALES & LEASING II, INC.

Pursuant to Sections 241 and 245 of the
General Corporation Law of the State of Delaware

Communications Sales & Leasing II, Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "GCL"), does hereby certify as follows:

- (1) The name of the Corporation is Communications Sales & Leasing II, Inc. The original certificate of incorporation of the Corporation was filed with the office of the Secretary of State of the State of Delaware on February 26, 2014.
- (2) The Corporation has not received any payment for any of its stock.
- (3) This Amended and Restated Certificate of Incorporation was duly adopted by the board of directors of the Corporation in accordance with Sections 241 and 245 of the GCL.
- (4) This Amended and Restated Certificate of Incorporation restates and integrates and further amends the certificate of incorporation of the Corporation, as heretofore amended or supplemented.
- (5) The text of the Certificate of Incorporation is amended and restated in its entirety as follows:

FIRST: The name of the Corporation is Communications Sales & Leasing, Inc. (hereinafter the "Corporation").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, County of New Castle, 19801. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the "GCL").

FOURTH: The total number of shares of stock which the Corporation shall have authority to issue is one hundred (100) shares of Common Stock, each having a par value of one cent (\$.01).

FIFTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

- (1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.
- (2) The directors shall have concurrent power with the stockholders to make, alter, amend, change, add to or repeal the By-Laws of the Corporation.
- (3) The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in, the By-Laws of the Corporation. Election of directors need not be by written ballot unless the By-Laws so provide.
- (4) No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the GCL or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article FIFTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.
- (5) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Amended and Restated Certificate of Incorporation, and any By-Laws adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted.

SIXTH: Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

SEVENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be executed on this 3d day of JULY, 2014.

COMMUNICATIONS SALES & LEASING II,
INC.


By: 
Name: John P. Fletcher
Title: Executive Vice President, Secretary and
General Counsel

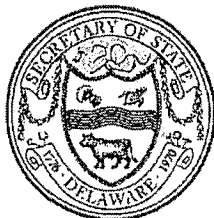
EXHIBIT 2

Delaware

PAGE 1

The First State

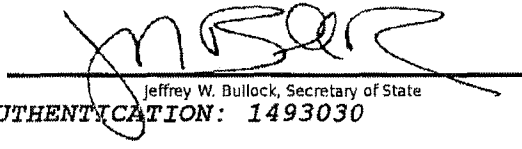
I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "TALK AMERICA SERVICES, LLC", FILED IN THIS OFFICE ON THE TWENTY-SEVENTH DAY OF JUNE, A.D. 2014, AT 10:58 O'CLOCK A.M.



5559703 8100

140892651

You may verify this certificate online
at corp.delaware.gov/authver.shtml


Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 1493030

DATE: 06-27-14

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:58 AM 06/27/2014
FILED 10:58 AM 06/27/2014
SRV 140892651 - 5559703 FILE


CERTIFICATE OF FORMATION

OF

TALK AMERICA SERVICES, LLC

1. The name of the limited liability company is Talk America Services, LLC.
2. The address of its registered office in the State of Delaware is 1209 Orange Street, Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation this 27th day of June, 2014.

By: 
Name: Deborah M. Reusch
Title: Authorized Person

Talk America Services, LLC
A Delaware Limited Liability Company

OPERATING AGREEMENT

**OPERATING AGREEMENT
OF
Talk America Services, LLC
A Delaware Limited Liability Company**

THIS OPERATING AGREEMENT is made and entered into as of the 11th day of July, 2014, by Communications Sales & Leasing, Inc., a Delaware corporation and single member of Talk America Services, LLC (the "Member").

ARTICLE I

DEFINITIONS AND GLOSSARY OF TERMS

"Act" shall mean the Delaware Limited Liability Company Act set forth in Title 6, Chapter 18 of the Delaware Code.

"Agreement" shall mean this Operating Agreement as amended from time to time.

"Certificate" shall mean the Certificate of Formation, together with any amendments thereto, required to be filed by the Company pursuant to the Act.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, or any successor federal revenue law and any final treasury regulations, revenue rulings, and revenue procedures thereunder or under any predecessor federal revenue law.

"Company" shall refer to the limited liability company created under this Agreement and the Certificate.

"Distributions" shall mean distributions of cash or other property made by the Company to the Member from any source.

"Interest" shall mean all of the rights created under this Agreement or the Act of the Member with respect to the Company and the Company's assets and property.

"Manager" or "Managers" shall mean any person or entity that becomes a manager in accordance with the terms of this Agreement.

"Member" shall refer to Communications Sales & Leasing, Inc., a Delaware corporation, and its successors and assigns.

Certain other capitalized terms not defined above shall have the meanings given such terms in the Agreement.

ARTICLE II

FORMATION; NAME; PURPOSES; OFFICE; TERM

SECTION 2.1 Company Formation. The Company has been formed as a limited liability company under and pursuant to the Act. The Managers shall file the Certificate and all other such instruments or documents and shall do or cause to be done all such filing, recording, or other acts, as may be necessary or appropriate from time to time to comply with the requirements of law for the formation and/or operation of a limited liability company in the State of Delaware. The Managers may also direct that the Company be registered or qualified to do business in other jurisdictions.

SECTION 2.2 Name of Company. The name of the Company shall be as set forth in the Certificate.

SECTION 2.3 Purposes. The Company may have any lawful purpose as determined by the Member.

SECTION 2.4 Registered Office and Agent; Principal Office. The registered office of the Company in the State of Delaware shall be such place in the State of Delaware as the Managers shall designate. The registered agent shall be The Corporation Trust Company. The principal office of the Company shall be 4001 Rodney Parham Road, Little Rock, Arkansas 72212, or such other place as the Managers shall designate.

SECTION 2.5 Commencement and Term. The Company commenced upon the filing of the Certificate in the office of the Secretary of State of the State of Delaware and shall continue in perpetuity, unless sooner terminated as provided herein.

ARTICLE III

CAPITALIZATION, INTERESTS, LIMITED LIABILITY OF MEMBER, RETURN OF CAPITAL AND INTEREST ON CAPITAL

SECTION 3.1 Initial Contributions and Interest. The Member has previously contributed its initial contribution to the Company and has received 100% of the Interest in the Company.

SECTION 3.2 Limited Liability of the Member. The Member shall have no personal liability for any debts or losses of the Company beyond its Interest, except as provided by law. Other than as provided in this Agreement and as may be required under the Act, the Member shall not be liable for any debts or losses of capital or profits of the Company or be required to contribute or lend funds to the Company.

SECTION 3.3 Additional Contributions; Interest. The Member shall not be entitled to receive any interest on its contributions to the capital of the Company. The Member may make additional capital contributions to the Company as it may determine.

SECTION 3.4 Additional Members. Subject to compliance with Article IV herein, the Manager may admit additional Members from time to time upon terms and conditions determined by the Member.

SECTION 3.5 Actions By the Member. In exercising the voting or other approval rights provided herein or under the Act or to conduct any other business of the Company, the Member may act through meetings or by written consent or electronic transmission without a meeting. Any such written or electronic transmission consent shall be filed with the minutes of the proceedings of the Members of the Company.

ARTICLE IV

MANAGEMENT OF THE COMPANY

SECTION 4.1 Management Identification of Company in Contracts. The management of the Company shall be vested in the Managers of the Company appointed by the Member. In all contracts, agreements and undertakings of the Company, the Company shall be identified as a limited liability company.

SECTION 4.2 Number, Tenure and Qualifications of Managers. The Manager(s) of the Company shall be appointed from time to time by the Member. Managers are not required to be residents of Delaware or Members of the Company. The Managers as of the date of this Agreement shall be Jeffery R. Gardner and John P. Fletcher to serve until their successors are duly appointed.

SECTION 4.3 Exclusive Control of Managers. Subject to the terms and provisions of this Agreement, the Managers shall have exclusive management and control of the affairs of the Company and shall have the power and authority to do all things necessary or appropriate to carry out the purposes of the Company.

SECTION 4.4 Officers.

(a) The Company shall also have officers to conduct the day-to-day management of the Company. The officers of the Company shall be chosen by the Managers and shall include a President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, one or more Vice Presidents, Treasurer, and a Secretary. The Managers may appoint such other officers and agents as it shall deem desirable who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Managers. Any number of offices may be held by the same person. Officers of the Company need not be residents of Delaware or Members of the Company.

(b) The officers shall report to and serve at the discretion of the Managers. The officers shall hold office until their successors are duly appointed and qualified or until their earlier death, disability or removal. Any officer may be removed, with or without cause, at any time by the action of the Managers.

SECTION 4.5 Limitations on Powers of Manager and Officers. Notwithstanding the authority granted to the Managers and the officers in this Article IV, without the prior written approval of the Member, neither the Managers nor any officer shall have any authority to:

- (a) Do any act in contravention of the Certificate, this Agreement or the Act;
- (b) Admit a person as a Member of the Company;
- (c) Cause or permit the Company to redeem or repurchase any Interest;
- (d) Sell all or substantially all of the assets of the Company in a single transaction or series of related transactions;
- (e) Cause or permit the Company to merge or consolidate with any other entity; or
- (f) Terminate or dissolve the Company, except as provided in Article VI.

SECTION 4.6 Other Business of Members and Managers. Any Member or Manager may engage independently or with others in other business ventures of any kind, render advice or services of any kind to other investors or ventures, or make or manage other investments or ventures. Neither the Company nor the Member shall have any right by virtue of this Agreement or the relationship created hereby in or to such other ventures or activities or to the income or proceeds derived therefrom, and the pursuit of such ventures, even if competitive with the business of the Company, shall not be deemed wrongful or improper under this Agreement. Nothing herein shall be deemed to negate or modify any separate agreement among the Managers, the Member and the Company, or any of them, with respect to restrictions on competition.

SECTION 4.7 Actions By the Managers. Any action required or permitted to be taken at any meeting of the Managers may be taken without a meeting, if all of the Managers consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Managers.

ARTICLE V

DISTRIBUTIONS

SECTION 5.1 Distributions of Cash Flow. The Company may make Distributions to the Member from time to time as determined by the Managers.

ARTICLE VI

DISSOLUTION OF THE COMPANY

SECTION 6.1 Dissolution of the Company. The Company shall be dissolved upon the happening of any of the following events, whichever shall first occur:

- (a) upon the written direction of the Member; or
- (b) the expiration of the term of the Company as provided in Section 2.5 hereof.

SECTION 6.2 Winding Up and Liquidation.

(a) Upon the dissolution of the Company, its affairs shall be wound up as soon as practicable thereafter by the Member. Except as otherwise provided in subsection (c) of this Section 6.2, in winding up the Company and liquidating the assets thereof, the Managers, or other person so designated for such purpose, may arrange for the collection and disbursement to the Member of any future receipts from the Company property or other sums to which the Company may be entitled, or may sell the Company's interest in the Company property to any person, including persons related to the Member, on such terms and for such consideration as shall be consistent with obtaining the fair market value thereof.

(b) Upon the dissolution of the Company the assets, if any, of the Company available for distribution and any net proceeds from the liquidation of any such assets, shall be applied and distributed in the following manner or order, to the extent available:

(i) To the payment of or provision for all debts, liabilities, and obligations of the Company to any person, and the expenses of liquidation; and

(ii) To the Member in accordance with its Interest.

(c) Upon dissolution, a reasonable time shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities to creditors so as to minimize the losses normally attendant to a liquidation.

ARTICLE VII

WITHDRAWAL OF MEMBER AND TRANSFER OF INTERESTS

SECTION 7.1 Transfer. The Member may transfer or assign its Interest at any time upon such terms and conditions as it may determine.

SECTION 7.2 Effect of Withdrawal. The Company shall not be dissolved by the dissolution or other event of withdrawal of a Member if any Member remains to carry on the business of the Company.

ARTICLE VIII

BOOKS; DEPOSITORY ACCOUNTS; ACCOUNTING REPORTS; ELECTIONS

SECTION 8.1 Books of Account. At all times during the continuance of the Company, the Managers shall maintain or cause to be maintained financial records and books of

account showing all assets, liabilities, profits, losses, and records necessary for recording the Company's business and affairs.

SECTION 8.2 Depository Accounts and Investment of Funds. The Managers or officers designated by the Managers may open and maintain on behalf of the Company one or more depository accounts at such times and in such depositories as it shall determine, in which all monies received by or on behalf of the Company shall be deposited.

ARTICLE IX

INDEMNIFICATION OF MANAGERS AND OFFICERS

SECTION 9.1 Limitation of Liability.

(a) To the fullest extent permitted by the Act as it now exists or may hereafter be amended, no Manager of the Company shall be liable to the Company or the Member for monetary damages arising from a breach of fiduciary duty owed to the Company or the Member.

(b) Any repeal or modification of the foregoing paragraph by the Company or the Member shall not adversely affect any right or protection of a Manager of the Company existing at the time of such repeal or modification.

SECTION 9.2 Indemnification. Managers and officers serve at the request of the Member and in such capacity shall benefit from the indemnification rights as set forth in Section 2 of Article Eight of the Amended and Restated Certificate of Incorporation of Windstream Holdings, Inc. Any indemnification of a Manager or officer or advance of expenses under Section 2 of Article Eight of the Amended and Restated Certificate of Incorporation of Windstream Holdings, Inc., shall follow the procedure set forth in Section 3 of Article Eight of the Amended and Restated Certificate of Incorporation of Windstream Holdings, Inc.

SECTION 9.3 Insurance. The Company may purchase and maintain insurance on behalf of its Managers, officers, employees and agents and those persons who were serving at the request of the Company in any capacity in another company, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the company would have the power to indemnify him against such liability under the provisions of this Article or otherwise. Any full or partial payment made by an insurance company under any insurance policy covering any Manager, officer, employee or agent made to or on behalf of a person entitled to indemnification under this Article shall relieve the Company of its liability for indemnification provided for in this Article or otherwise to the extent of such payment, and no insurer shall have a right of subrogation against the Company with respect to such payment.

SECTION 9.4 Merger or Consolidation. For purposes of this Article, references to the "Company" shall include, in addition to the resulting company, any constituent company (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, managers, officers and employees or agents, so that any person who is or was a director, manager, officer, employee or agent of such constituent company, or is or was serving at the

request of such constituent company as a director, manager, officer, employee or agent of another company, partnership, joint venture, trust or other enterprise, shall stand in the same position under this Article with respect to the resulting or surviving company as he or she would have with respect to such constituent company if its separate existence had continued.

SECTION 9.5 Savings Clause. If this Article IX or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify each person entitled to indemnification under Section 9.2 of this Article IX as to all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person and for which indemnification is available to such person pursuant to this Article IX to the full extent permitted by any applicable portion of this Article IX that shall not have been invalidated and to the full extent permitted by applicable law.

ARTICLE X

MISCELLANEOUS PROVISIONS

SECTION 10.1 Waiver of Provisions. The waiver of compliance at any time with respect to any of the provisions, terms, or conditions of this Agreement shall not be considered a waiver of such provision, term, or condition itself or of any of the other provisions, terms, or conditions hereof or bar its enforcement at any time thereafter.

SECTION 10.2 Amendment, Interpretation and Construction. Any modification or amendment to this Agreement must be in writing signed by the Member. Where the context so requires, the masculine shall include the feminine and the neuter and the singular shall include the plural. The headings and captions in this Agreement are inserted for convenience and identification only and are in no way intended to define, limit, or expand the scope or intent of this Agreement or any provision hereof. Unless otherwise specified, the references to Section and Article in this Agreement are to the Sections and Articles of this Agreement.

SECTION 10.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

SECTION 10.4 Partial Invalidity. In the event that any part or provision of this Agreement shall be determined to be invalid or unenforceable, the remaining parts and provisions of this Agreement which can be separated from the invalid, unenforceable provision or provisions shall continue in full force and effect.

SECTION 10.5 Binding on Successors. The terms, conditions, and provisions of this Agreement shall inure to the benefit of, and be binding upon the Member and its successors and assigns.

SECTION 10.6 Statutory Provisions. Any statutory or regulatory reference in this Agreement shall include a reference to any successor to such statute or regulation and/or revision thereof.

SECTION 10.7 Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

SECTION 10.8 Determination of Matters Not Provided For In This Agreement. The Managers shall decide any questions arising with respect to the Company and this Agreement which are not specifically or expressly provided for in this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has executed this Agreement as of the day and year first written above.

SOLE MEMBER:

COMMUNICATIONS SALES & LEASING, INC.

By: 

Name: John P. Fletcher

Title: Executive Vice President, Secretary &
General Counsel

EXHIBIT 3

Dear Valued Customer,

Windstream Communications, Inc. and certain its affiliates ("Windstream") are divesting certain of its local exchange residential markets to Talk America Services, LLC ("Talk America"). As a result of the transaction, your local and long distance service will transfer from Windstream to Talk America on or about January 30, 2015.

Rest assured you will continue to receive the high-quality service you have come to expect. There will be no change in your current plan, rates, features, terms and conditions of your service or customer service contracts. Also, there will be no charges associated with transferring your service to Talk America and no action is required by you during this transfer.

As a customer, you have a choice in carriers for your communications services. If you choose to select another provider, you should contact that carrier immediately to ensure that your services are transferred before January 30, 2015. Keep in mind, if you change carriers, you may have to pay a transfer charge.

Under Federal Communications Commission rules, any restriction or "freezes" you may have placed on your account to block changes to your preferred local and/or long distance carrier will be removed as part of the transfer process. If you wish to reinstate such restrictions, please contact us at 1-800-XXX-XXXX.

Customer service is the foundation of our business. Please let us know how we can work with you to meet your needs. If you have any questions or complaints before, during, and after the transition of your service to Talk America, do not hesitate to contact us at 1-800-XXX-XXXX.

Be sure to look for more information from us during the upcoming months. We are excited about serving you and look forward to providing you with the same high-quality, innovative products and services in the future.

Sincerely,

Talk America Services, LLC